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Internal Audit Policy Statement

American Institute of Certified Public Accountants. Internal Audit Division

Jerry Cicalese

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With a staff of five professionals, the Internal Audit Division provides audit services to all operations throughout the American Institute of Certified Public Accountants and its related entities.

The Internal Audit Division is an integral part of AICPA and its operating policies.

A handwritten signature in blue ink that reads "Jerry Cicalese". The signature is fluid and cursive, with the first name "Jerry" and last name "Cicalese" clearly distinguishable.

Jerry Cicalese, CPA
Director
Internal Audit

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Internal Audit Policy Statement

AICPA
American Institute of
Certified Public Accountants

AICPA Internal Audit Policy Statement

The purpose of this Internal Audit Policy Statement is to set forth the mission, authority and responsibility of the internal audit function in the AICPA and to provide guidelines for internal audit's interaction with all AICPA operations.

Mission

The internal audit function is an independent appraisal activity established to assist Senior Management and the Audit Committee of the Board of Directors in the effective discharge of their responsibilities. In fulfilling its assignment, internal audit makes such tests as are necessary to assure the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information.

Authority

The Institute Senior Management has given the Internal Audit Division the authority to direct a continuing, broad, comprehensive program of internal auditing within the AICPA. To fulfill its purpose, the Internal Audit Division shall have unrestricted access to any and all information pertaining to AICPA records and operations. The scope of activities is based on priorities established collectively by the AICPA Director of Internal Audit, President, and Group Vice President-Operations, and is approved by the Audit Committee.

Responsibility

Internal Audit subscribes to the Standards for the Professional Practice of Internal Auditing as promulgated by the Institute of Internal Auditors. The following responsibilities are consistent with these standards:

- determining the adequacy and efficiency of the system of internal control, including the system's ability to deter and detect error and fraud;
- verifying the existence of assets and assuring that proper safeguards are maintained to protect them from loss;
- conducting audits objectively at appropriate intervals to examine the effectiveness of management's stewardship of AICPA resources, internal control systems, and compliance with established policies and procedures;
- submitting to Senior Management, the Audit Committee and others as necessary reports on the results of audits conducted;
- meeting with the Audit Committee of the Board of Directors at each of its meetings to discuss pertinent audit findings, trends and perceptions;
- participating in the planning, design, and development of computer and other systems to assure that adequate controls are incorporated, and that AICPA design, testing and documentation standards are met;
- examining new programs and businesses to assure that adequate controls are in place, and the AICPA policies and standards are met;
- reviewing the economy and efficiency with which AICPA resources are employed;
- coordinating internal audit activities with those of the AICPA's external auditors to achieve audit and Institute objectives in an efficient and effective manner;
- conducting follow-up reviews scheduled within a reasonable time subsequent to an audit, to determine that corrective action was taken on internal audit recommendations;
- maintaining technical competence and professional proficiency through the continued development and training of staff; and
- performing such other duties as requested by management and the Audit Committee of the Board of Directors.

Guidelines

To enable the Internal Audit Division to accomplish its objectives, the following guidelines should be observed:

- internal auditors should receive the full support and cooperation of all levels of Institute management;
- internal auditors should be allowed access to all activities, records, personnel and any other material or information necessary to the proper performance of their duties;
- internal auditors should be notified promptly of any known or suspected activities of an illegal or unethical nature or any activities which appear to represent a conflict of interest;
- internal auditors should be informed on a timely basis of proposals for new or modified EDP systems, procedures, operations and programs;
- internal auditors should have no operational authority or responsibility for the activities which they audit; and,
- internal auditing should be conducted in accordance with an annual audit plan.